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No. 79-1621

In The Supreme Court of the United States

October Term, 1979

Reynolds Metals Company
Petitioner
v.
Aluminum Company of America, and National Can Corporation
Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

BRIEF OF NATIONAL CAN CORPORATION IN OPPOSITION TO THE PETITION

WALTER J. BLENKO, JR.
301 Fifth Avenue
Pittsburgh, Pennsylvania 15222
(412) 471-1590

Attorney for Respondent National Can Corporation

LEONARD C. EVERSON
ROBERT A. STENZEL
8101 Higgins Road
Chicago, Illinois 60631

Of Counsel

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- I -

OPINIONS BELOW

References herein to the opinions of the court of appeals, 609 F.2d 1218, and the district court, 457 F.Supp. 482, will be by reference to both the printed reports and the printed appendix to the petition.

- II -

JURISDICTION

Jurisdiction is admitted.

- III -

COUNTER-STATEMENT

(1) This is an ordinary action for patent infringement. The two Bylund patents in suit are directed to the manufacture of can bodies (e.g., cans for beer and soft drinks) by drawing and ironing ("D&I") flat aluminum alloy sheet in hardened condition.

Two old alloys of aluminum which have commonly been used for drawing and ironing are identified as "3003" and "3004". They are admitted by the patentee to be in the prior art (App. I:276, 290)*. The patent claims make no distinction between those alloys and any other alloy; and petitioner does not claim invention in the *mere* use of those alloys for drawing and ironing (App. I:293; II:550).

The temper, or hardness, of aluminum alloys is increased by working, e.g., by rolling. The temper of aluminum sheet which has been worked to "full hard" condition is identified as "H-18". Some additional amount

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*Reference to the joint appendix of Alcoa and National Can in the court of appeals is by volume and page.

of cold working will raise the strength slightly, and the temper is then identified as "H-19" (609 F.2d 1219; Pet. 2a). Both 3003 and 3004 alloys in H-18 and H-19 temper are in the prior art, and Bylund makes no claim to them (App. I:276; II:542).

(2) All of Bylund's original patent claims recited an allegedly new aluminum alloy containing relatively large amounts of iron (App. III:26a). On July 28, 1967, at the time Bylund first swore to the complete specification which is the basis for the patents in suit (App. III:150-53a) Bylund believed that 3004 alloy was not suitable for D&I can making, and that "* * * there was nothing but trouble in making cans out of this alloy" (App. I:305). By a series of amendments and continuing applications in the Patent Office, involving six successive patent applications and ten different Patent Office Examiners, petitioner reshaped the claims and finally asserted to the Patent Office that the claims were intended to dominate the manufacture of D&I cans from work hardened sheet of 3004 alloy (App. III:355-56a).

(3) Undisputed evidence in the record shows that prior to any date which may lawfully be claimed by Bylund, Metal Flo had formed cans by drawing and ironing full hard aluminum alloys which had not been annealed or stress relieved from cold rolling through ironing (609 F.2d 1020; Pet. 4a).

In one instance Metal Flo sold large cans, called "sonobuoy housings", made by drawing and ironing 3003 alloy in H-19 temper. In another instance Metal Flo made 12 ounce beer cans by drawing and ironing various alloys, including 3004, in tempers up to H-18 (609 F.2d 1020; Pet. 4a). That work is shown by, *inter alia,* a memorandum internally of petitioner (Appendix A to this brief) and dated May 28, 1965, more than two years before Bylund's first complete specification for the patents in suit. It is admitted by the patentee that there

is no difference in principle of operation between using H-18 temper and H-19 temper for D&I can making (App. I:279-80; II:579-80). In each instance the alloy used by Metal Flo necessarily had sufficient strength and ductility to enable the process to be carried out.

(4) Infringement by respondent National Can was charged by reason of National Can's manufacture of can bodies by drawing and ironing 3004 aluminum alloy in H-19 temper.

The district court held petitioner's patents valid and infringed and filed an opinion copied substantially *verbatim* from briefs and conclusions filed by petitioner. The opinion identified two significant differences between petitioner's patents and the prior art (457 F.Supp. 495; Pet. 26a):

> "(1) The elimination of annealing or stress relieving in the process of making drawn and ironed aluminum cans from the beginning of cold rolling through the ironing operation; and
>
> "(2) The making of aluminum alloy sheet by selecting the amount of alloy elements to achieve sufficient ductility and strength to be able to cold roll and draw same into a can body without thermal treatments."

The court of appeals reversed on the basis of undisputed evidence of work by Metal Flo which shows that everything claimed in petitioner's patents was fully disclosed in the prior art (609 F.2d 1220; Pet. 3-4a).

- IV -

PETITIONER'S "QUESTIONS PRESENTED" DO NOT FAIRLY ARISE ON THIS RECORD

Question 1 (Pet. 2) does not arise. The court of appeals correctly reversed since "the district court disregarded the evidence of Metal Flo's work" which renders petitioner's patents invalid (609 F.2d 1220; Pet. 4a).

Question 2 (Pet. 2-3) does not arise. The court of appeals correctly held petitioner's patents invalid upon the basis of evidence which was disregarded by the district court but which showed that everything claimed in the patents was "fully disclosed in the prior art" (609 F.2d 1220; Pet. 3-4a).

Question 3 (Pet. 3) does not arise. The court of appeals did not ignore any fact found by the trial judge. It reversed the district court's conclusion that the patents in suit are valid (457 F.Supp. 512; Pet. 61a) in light of controlling evidence which had been disregarded by the district court. To the extent that the district court's conclusion of validity is asserted to be within the scope of Civil Rule 52, the conclusion is "clearly erroneous".

Question 4 (Pet. 3) does not arise. The district court disregarded the controlling evidence "apparently on the grounds that Metal Flo had never developed a commercial success in *beer* cans" (609 F.2d 1220; Pet. 4a). The court of appeals correctly held petitioner's patents invalid in light of the controlling evidence.

ARGUMENT

(1) This case does not present any issue which argues for the exercise of this Court's discretion, Rule 19(b).

Stripped of artifice, petitioner's questions present mere questions of fact. This Court has uniformly held that it will not grant certiorari to review such questions, particularly, where, as here, they do not involve principles of public importance as distinguished from the mere interests of the parties; *Magnum Imports Co. v. Coty,* (1923) 262 U.S. 159, 163; *Rice v. Sioux City Cemetery,* (1955) 349 U.S. 70, 74; *Layne & Bowler Co. v. Western Well Works,* (1923) 261 U.S. 387, 393; *Forsythe v. Hammond,* (1847) 166 U.S. 506, 514.

(2) The evidence of Metal Flo's work relied on by the Court of Appeals was not the subject of any conflicting testimonial or documentary evidence. The evidence is unequivocal that both sonobuoy housings and beer cans were made by drawing and ironing 3003 and 3004 alloys in full hard tempers. It was evidence that the district court was not at liberty to disregard; *Pennsylvania R. Co. v. Chamberlain,* (1933) 288 U.S. 333, 340-41; *Chesapeake & Ohio Ry. Co. v. Martin,* (1931) 283 U.S. 209, 216; *Ansley v. Commissioner of Internal Revenue,* (C.A. 3, 1954) 217 F.2d 252, 257; *Stone v. Stone,* (C.A. D.C., 1943) 136 F.2d 761, 764; but the district court did overlook or disregard the evidence. The court of appeals correctly reversed since "on the entire evidence (it) is left with the definite and firm conviction that a mistake has been committed". *Zenith Corp. v. Hazeltine* (1969) 395 U.S. 100, 123.

It is of no legal consequence that Metal Flo did not establish a commercial business in beer cans. A single instance of prior knowledge and reduction to practice is sufficient to invalidate a later patent, *Corona Co. v. Dovan Corp.,* (1928) 276 U.S. 358, 382-85.

(3) Petitioner strenuously argues that its patents should be held valid without regard to invalidating prior art as an incentive to "innovators and investors" and to offset an asserted decline of industrial productivity. The cause of industrial productivity will not be aided by enforcing invalid patents and by requiring the public to pay tribute under those patents.

The specifications of petitioner's patents warn away from using 3004 alloy in full hard temper for drawing and ironing. Others in the industry went counter to Bylund's teaching, and followed the course charted by Metal Flo. National Can went into commercial production drawing and ironing 3004 alloy in H-19 temper on May 8, 1971 (Reynolds Interrogatory 118 and Answer). Not until August 22, 1973, more than two years later did petitioner first assert to the Patent Office that its claims were intended to cover drawing and ironing of 3004 alloy in H-19 temper (III:355-56a). Petitioner saw the development in the art by others and then claimed the very thing which Bylund had rejected as "nothing but trouble". Petitioner should not profit thereby. It was never the intention of the patent laws to reward those who "watch the advancing work of improvement, and gather its foam in the form of patented monopolies", *Atlantic Works v. Brady,* (1882) 107 U.S. 192, 200; *A&P Tea Co. v. Supermarket Corp.,* (1950) 340 U.S. 147, 155 (concurring opinion).

CONCLUSION

The Petition for Writ of Certiorari should be denied.

Respectfully submitted,

Walter J. Blenko, Jr.
Attorney for Respondent
National Can Corporation

Leonard C. Everson
Robert A. Stenzel

Of Counsel.

APPENDIX A

Text of Reynolds Metals Company interdepartmental correspondence from E. G. Maeder at Container Development to L. R. Payton at Fidelity Building on May 28, 1965.

I was called to Mr. David Reynolds's office today, with E. P. Burlew, to meet Mr. Charles Brown, the head of Metal Flo Corporation. Mr. Brown presented Mr. Reynolds with several products made on their unique multi-stage drawing process. Among these were a number of twelve-ounce drawn and ironed beer cans. Jim Stuart made several alloys in .020″ gauge available to Metal Flo for fabrication into cans. The alloys are 3003, 3004, 5050, 5052, and 5086, in tempers up to H-18. All of these alloys were formed into cans of .010″ wall thickness. The wall thickness varies up to .0005″ around the edge. The can surface looks very good, and is comparable to ours. They weight 52.5 pounds per thousand; how-

ever, the weight appears to be incidental since they used some existing tooling to make these first samples. They claim they can make thinner wall cans.

I am attaching a copy of a publication on this process. They employ telescopic punches to make long shells, which is a very old idea. Each telescopic punch member requires a propulsion mechanism; therefore, the hydraulic press principle lends itself most ideally to this operation. For a short can like our beer can, only two telescopic punch members would be required. This is what we are doing, except we break it up into a separate cupping operation. You will note in the last paragraph the limitations they admit exist. They are using a double ended hydraulic press similar to the old Kaiser D and I bodymaker. To obtain large production, they talk of multiple unit arrangements at each end. It appears from Mr. Brown's statements that they would consider as many as six units arranged on each side. You are very well aware that the game of arranging independent single units into an interdependent whole is also open to us. Such a step has to be very carefully considered. My own system efficiency studies show that one cannot take independent units and arrange them interdependently unless the unit efficiency is better than 97-99%. On the average, we are still below 95% at our White Bear Lake Can Plant.

To pass proper judgement on such a process, we would have to establish: (1) how fast a single unit can perform by itself; (2) how efficient a single unit is over very extended runs; (3) where the point-of-no-return is when adding units into a single machine.

(attached publication omitted from this appendix)